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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/731,540	12/09/2003	Lisa C. Tidwell	1DATA.101A	4539

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EXAMINER
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LE, THIEN MINH

ART UNIT	PAPER NUMBER
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2876

SHORTENED STATUTORY PERIOD OF RESPONSE	NOTIFICATION DATE	DELIVERY MODE
3 MONTHS	01/16/2007	ELECTRONIC

**Please find below and/or attached an Office communication concerning this application or proceeding.**

If NO period for reply is specified above, the maximum statutory period will apply and will expire 6 MONTHS from the mailing date of this communication.

Notice of this Office communication was sent electronically on the above-indicated "Notification Date" and has a shortened statutory period for reply of 3 MONTHS from 01/16/2007.

Notice of the Office communication was sent electronically on above-indicated "Notification Date" to the following e-mail address(es):

jcartee@kmob.com  
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<b>Office Action Summary</b>	<b>Application No.</b>		<b>Applicant(s)</b>	
	10/731,540		TIDWELL ET AL.	
	<b>Examiner</b>		<b>Art Unit</b>	
	Thien M. Le		2876	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

#### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

#### Status

- 1) ☐ Responsive to communication(s) filed on \_\_\_\_\_.
- 2a) ☐ This action is **FINAL**.                      2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

#### Disposition of Claims

- 4) ☒ Claim(s) 1-45 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-19, 24-37 and 40-45 is/are rejected.
- 7) ☒ Claim(s) 20-23, 38 and 39 is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

#### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 09 December 2003 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.  
 Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
 Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

#### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All    b) ☐ Some \*    c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

#### Attachment(s)

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)            | 4) <input type="checkbox"/> Interview Summary (PTO-413)           |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)   | Paper No(s)/Mail Date. _____                                      |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date <u>4/2004</u> .  | 6) <input type="checkbox"/> Other: _____                          |

### DETAILED ACTION

The information disclosure statement filed on 4/30/2004 has been entered.

Claims 1-45 are presented for examination.

### ***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

This application currently names joint inventors. In considering patentability of the claims under 35 U.S.C. 103(a), the examiner presumes that the subject matter of the various claims was commonly owned at the time any inventions covered therein were made absent any evidence to the contrary. Applicant is advised of the obligation under 37 CFR 1.56 to point out the inventor and invention dates of each claim that was not commonly owned at the time a later invention was made in order for the examiner to

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consider the applicability of 35 U.S.C. 103(c) and potential 35 U.S.C. 102(e), (f) or (g) prior art under 35 U.S.C. 103(a).

Claims 1-4, 15-19 and 26-36, drawn the method and apparatus claims 5-14, 24-25, 37 and 40-45 are rejected under 35 U.S.C. 103(a) as being unpatentable over Swift et al. (Swift et al. – 2004/0245330; herein after referred to as “Swift”) in view of Carr et al. (Carr et al. – 2003/0056104; herein after referred to as “Carr”).

Regarding claims 1, 15-16, 19, 37-44 and 45, Swift discloses a system and method for cashing a check comprising the step of: (i) obtaining a check at a POS device; (ii) authenticating the check by matching it features such as MICR, characters, signature, etc., with information stored in a database (see figure 1 and its descriptions); (iii) determining a risk score (see the descriptions regarding figure 5); (iv) determining based on the risk score whether to authorize the cashing of the check. The claim differs in calling for the step of determining the risk score base on the watermark, a feature of the check, rather than biometric features of the customer. Reference to Carr is cited as an evident of using the watermark information to verify the check’s authenticity. It would have been obvious to also use the check features such as the watermark, the MICR, etc., to calculate the risk scores. The modification merely adding another criteria for calculating the check score by using the feature of the check; and thus is well within the skill levels and expectations of an ordinary skilled in the art. The following quotes that are relied on from Swift and Carr references are herein presented for further reviews:

**Reference to Swift:**

[0027] In one embodiment, the interactive transaction device 102 may comprise an automatic teller machine (ATM), an advanced function kiosk, or a point of sale (POS) device. The

interactive transaction device 102 may be located at various merchant locations, such as retailers, convenience stores, check cashing service locations, gas stations, etc. In addition, the interactive transaction device 102 may also comprise an unmanned terminal, such as an ATM machine, that may be remotely located some distance from one or more of the financial institutions. Various methods of check cashing and depositing may involve the checking service provider 104 or check guarantor, which provides access to the interactive transaction devices 102, a customer 100, such as a depositor or check casher, and one or more of the financial institutions 120, 122, 124. In addition, it should be appreciated that the interactive transaction device 102 may comprise a plurality of interactive transaction devices 102 without departing from the scope of the present teachings. It should also be appreciated that the checking service provider 104 may comprise a check cashing service.

[0028] In one embodiment, the interactive transaction device 102 may be equipped with various data acquisition components, such as a check reader, magnetic card reader, and a keyboard. The check reader component of the interactive transaction device 102 may be used to identify, by either magnetic ink character recognition (MICR) or optical character recognition (OCR), the customer's name and signature, an account number, a check amount, a check date, and the American Banking Association (ABA) routing number printed on the face of the paper drafted check. The keyboard component may be used by the customer 100 to input other identification information, such as a social security number and a driver's license number. The magnetic card reader may be used to scan an ATM card or a driver's license for identification purposes. It should be appreciated that further description relating to interactive POS devices are described in the Applicant's co-pending U.S. Patent Application entitled "Data Validation Systems and Methods for Use in Financial Transactions" application Ser. No. 10/671,000 (Attorney Docket Number 1DATA.043A), which is hereby incorporated by reference in its entirety.

[0024] FIG. 5 illustrates one embodiment of a scoring process that may be used by the check cashing service in FIG. 1 in conjunction with the suspicious persons database to score suspicious behavior or suspicious activity.

[0071] The SPD scores may fall into three general fields of suspicion, including a degree of low suspicion, moderate suspicion, and high suspicion. Most transactions relating to the degree of low suspicion may be approved. Although, once a individual's SPD scoring point value reaches a pre-set threshold of moderate suspicion, the checking service provider 104 may record the results of the individual's check cashing transactions in the SPD 112, including archiving biometric information of the individual, and customer service agent intervention may then be required to proceed with the requested financial transaction. In one embodiment, a low degree of suspicion may comprise an SPD score below 10 points, a moderate degree of suspicion may comprise an SPD score between 10 and 15 points, and a high degree of suspicion may comprise an SPD score of above 15 points. It should be appreciated that the point values associated with the degrees of suspicion may be altered by one skilled in the art without departing from the scope of the present teachings.

[0075] As illustrated in FIG. 5, the SPD scoring process 500 initiates in a start state 502 and then proceeds to a state 504, where the transaction processing component 108 retrieves the current customer's SPD score from the SPD database 112. Next, the transaction processing component 108 identifies the reason for suspicion or discrepancies. For example, discrepancies in the transaction information may include, but are not limited to, invalid identification data, such as social security number, driver's license number, account number, ABA number, and biometric information. If reasons for suspicion or discrepancies in the received transaction information are identified, then the transaction processing component 108 retrieves the associated reason code from the previously mentioned reason code list in a state 508. As previously mentioned, the

reason codes have associated point values indicative of the severity of the suspicion, which may increase the SPD score according to the reason code points. Otherwise, if the transaction information is verified or determined correct, then the transaction processing component 108 may decrease the SPD score according to the previously indicated reason code points. In a state 510, the reason code points are retrieved and, in a state 512 the SPD score is re-calculated so as to reflect transaction success or failure. Following, the SPD score is returned in an end state 514.

[0076] Advantageously, the SPD scoring process 500 may be utilized by the checking service provider 104 to score transactions based on the validity of the received transaction information, including identification information, from the customer 100. By verifying the identity of the customer, a degree of suspicion may be evaluated, fraudulent transactions may be avoided, and suspicious behavior or suspicious activity may be recorded in the SPD 112 for future transactions involving the customer 100. It should be appreciated that the SPD scoring process 500, as described herein, may be applied to the customer or financial transaction by the various components of the checking service provider 104 including the customer service agent 106 and the transaction processing component 108 without departing from the scope of the present teachings. In addition, a plurality of generated SPD scores may be recorded in the SPD 112 and referenced during future transactions as needed to identify suspicious behavior or activity. It should also be appreciated that the various components of the above-mentioned table as referenced by the description of FIGS. 2A, 2B may be used in conjunction with the SPD scoring process 500 without departing from the scope of the present teachings.

#### **Reference to Carr**

[0056] An embedded digital watermark can include information which matches printed information, or may include information that matches printed information printed in a specific block, oh say block b. The watermark is decoded to retrieve the information. The message information is compared against the printed information for verification. Or the digital watermark in block area "a" may include the check drawer's address information, which can be used to verify the printed information once decoded. As an alternative, a watermark includes the amount and/or payee information. This watermark information can be embedded at the time of printing to match or coincide with the printed information. This watermark information is used to verify the check's authenticity. (To illustrate, consider a check that has been altered to read \$1000.00, when the original check was only for \$100.00. The digital watermark carries the original amount (\$100.00), which fails to correspond to the alteration (\$1000.00). A counterfeit is detected by such a comparison.). Another (or alternative) watermark payload may include a batch or run number (e.g., check was printed in batch 17894, run 10 or 12, at printing location alpha, job 7 on Jan. 27, 2002, etc. Machine-readable information on the check (e.g., MICR font printed information) can be machine-read and compared against information decoded from a digital watermark. Or, once the watermark payload is decoded, a human-visual inspection may inspect printed information to determine authenticity. A copy is determined when the information does not coincide. Of course this process can be automated.

Regarding claims 2-3, 17-18, see the discussions regarding claim 1. Further, Swift discloses the steps of assigning the risk scores base on results of comparison step and business rules; and thus would embrace all limitations set forth in these claims.

Regarding claims 5-14 and 24-36, see the discussions regarding claim 1.

Further, Swift uses a transaction processing component 108 conjunction with the suspicious person database 112 to evaluate received transaction requests and determine if suspicious behavior or suspicious activity is occurring. The transaction component 108 comprises one or more processor. Applicant is also noted that claim directed to an apparatus must be distinguished from the prior art in terms of structure rather than function, In re Danly 263 F.2d 844, 847, 120 USPQ 582, 531 (CCPA 1959).

A claim containing a "recitation with respect to the manner in which a claimed apparatus is intended to be employed does not differentiate the claimed apparatus from the prior art apparatus" if the prior art apparatus teaches all the structural limitations of the claim. Ex parte Masham, 2 USPQ 2d 1657 (bd Pat. App. & Inter. 1987). Thus the structural limitations of claims 5 including a computer processor being operable to approve or decline check cashing transactions is disclosed by Swift.

#### ***Allowable Subject Matter***

Claims 10-11 are objected to as being dependent upon a rejected base claim, but would be allowable if rewritten in independent form including all of the limitations of the base claim and any intervening claims.

The following is a statement of reasons for the indication of allowable subject matter: The prior art disclose the system and method for cash checks utilizing risk score calculations, authentication using a watermark, etc. However, the prior art is

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silent about the method of calculating the risk score base on information about the location associated with the check, the issuer of the check, and the customer in the manner as recited method claims 20-23. The prior art also fails to disclose a POS device further configured to obtain a front and a back image of the authenticating mark, the check as recited in claims 38-39.

### ***Conclusion***

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Thien M. Le whose telephone number is (571) 272-2396. The examiner can normally be reached on Monday - Friday from 7:30am - 4:00pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Michael G. Lee can be reached on (571) 272-2398. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.



Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.



**Le, Thien Minh**  
**Primary Examiner**  
**Art Unit 2876**  
**December 28, 2006**